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14 UNITED STATES BANKRUPTCY COURT
15 WESTERN DISTRICT OF WASHINGTON
16 AT TACOMA
17

18
19 In re

Case No. 08-45328-PBS

20
21 PACIFIC LIFESTYLE HOMES, INC.

22
23 Debtor.
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27

28
29 **DEBTOR'S FIRST AMENDED PLAN OF REORGANIZATION**
30 **DATED MAY 24, 2010**
31

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DEBTOR'S FIRST AMENDED PLAN OF
REORGANIZATION DATED MAY 24, 2010 – 1

69423-0001/LEGAL17257284.8

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1 Pacific Lifestyle Homes, Inc. proposes the following plan of reorganization pursuant
2 to section 1121(a) of the Bankruptcy Code.
3
4

5 **ALL CREDITORS ARE ENCOURAGED TO CONSULT THE DISCLOSURE**
6 **STATEMENT BEFORE VOTING TO ACCEPT OR REJECT THIS PLAN. THE**
7 **DISCLOSURE STATEMENT CONTAINS A DISCUSSION OF DEBTOR'S**
8 **PREPETITION AND POSTPETITION ACTIVITIES AND A SUMMARY AND**
9 **ANALYSIS OF THIS PLAN.**
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15 **ARTICLE 1**
16 **DEFINITIONS**
17

18 Whenever from the context it appears appropriate, each term stated in either the
19 singular or the plural shall include the singular and the plural, and pronouns stated in the
20 masculine, feminine or neuter shall include the masculine, feminine and the neuter. The
21 words "herein," "hereto," "hereof," "hereunder" and others of similar import refer to this
22 Plan as a whole and not to any particular article, section, subsection, or clause contained in
23 this Plan. Any term used in this Plan that is not herein defined but is used in the Bankruptcy
24 Code shall have the meaning assigned to the term in the Bankruptcy Code. Unless the
25 context requires otherwise, the following words and phrases shall have the meaning set forth
26 below when used in initially capitalized form in this Plan:
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36 **"Administrative Claim"** means a Claim for payment of an administrative expense
37 of a kind specified in section 503(b) of the Bankruptcy Code and referred to in section
38 507(a)(1) of the Bankruptcy Code, including, without limitation, the actual, necessary costs
39 and expenses of preserving Debtor's estate and operating the business of Debtor, including
40 wages, salaries, or commissions for services rendered after the Petition Date, compensation
41 for legal and other services and reimbursement of expenses awarded under section 330(a) or
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1 331 of the Bankruptcy Code, and all fees and charges assessed against Debtor's estate under
2
3 section 1930 of title 28 of the United States Code, and all fees and charged assessed against
4
5 Debtor's estate under section 1930 of title 28 of the United States Code.
6

7 **"Allowed"** means with respect to Claims: (i) any Claim against Debtor, proof of
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9 which is timely filed, or which by order of the Bankruptcy Court is not or will not be
10
11 required to be filed; or (ii) any Claim that has been or is hereafter listed in the Schedules
12
13 filed by Debtor as liquidated in amount and not disputed or contingent and in each case as to
14
15 which either (a) no objection to the allowance thereof has been interposed within the
16
17 applicable period of time fixed by the Bankruptcy Code, the Bankruptcy Rules or the
18
19 Bankruptcy Court or (b) such an objection is so interposed and the Claim will have been
20
21 allowed by a Final Order (but only to the extent so allowed), or (iii) any Claim Allowed
22
23 pursuant to this Plan. A Claim is not an Allowed Claim merely because it has been
24
25 described, treated or defined in this Plan. An Allowed Claim will not include interest on the
26
27 principal amount of such Claim from and after the Petition Date. Notwithstanding the
28
29 foregoing, Claims will be Allowed to the extent that this Plan provides that they are deemed
30
31 Allowed.
32

33 **"Avoidance Actions"** means all avoidance claims arising under Chapter 5 of the
34
35 Bankruptcy Code or otherwise and the proceeds thereof, of whatever kind or nature, and
36
37 whether asserted or unasserted, including, but not limited to, all avoidance actions instituted
38
39 pursuant to sections 510, 542, 544, 545, 547, 548, 549, 550, 551 and 553 of the Bankruptcy
40
41 Code.
42

43 **"Bankruptcy Case"** means the case under chapter 11 of the Bankruptcy Code
44
45 concerning Debtor commenced on the Petition Date.
46
47

1 **"Bankruptcy Code"** means title 11 of the United States Code, as amended from
2
3
4 time to time, as applicable to the Bankruptcy Case.

5 **"Bankruptcy Court"** means the United States Bankruptcy Court for the Western
6
7 District of Washington, which has jurisdiction over the Bankruptcy Case.
8

9 **"Bankruptcy Rules"** means the Federal Rules of Bankruptcy Procedure
10
11 promulgated under section 2075 of title 28 of the United States Code, as amended from time
12
13 to time, and any and all applicable local rules of the Bankruptcy Court, as the same may
14
15 from time to time be in effect and applicable to the Bankruptcy Case and other related
16
17 proceedings.
18

19 **"Bar Date"** means July 13, 2009, the date set pursuant to the Order as the last date
20
21 to file proofs of claim against Debtor.
22

23 **"BofA"** means Bank of America, N.A.
24

25 **"BofA Amended Loan Documents"** means the BofA Note, the amended and
26
27 restated loan agreement, the amendment to trust deed and all other documents and
28
29 agreements, if any, that will govern the respective rights and obligations of BofA and the
30
31 Reorganized Debtor. The form and content of the BofA Amended Loan Documents will be
32
33 consistent with the terms of this Plan.
34

35 **"BofA Interest Rate"** means 5.25%.
36

37 **"BofA Note"** means the promissory note to be given to BofA by the Reorganized
38
39 Debtor evidencing BofA's Secured Claim.
40

41 **"BofA Other Collateral"** means that certain real property collateral for loans made
42
43 by BofA to Debtor and certain of its subsidiaries prior to the Petition Date, which collateral
44
45 is currently owned by PL Land Co. I LLC.
46
47

1 **"BofA Settlement Agreement"** means that settlement agreement by and between
2
3 Debtor and BofA dated effective May __, 2010, approved by the Bankruptcy Court by order
4
5 dated June __, 2010.
6

7 **"Builder's Reserve"** means ten percent of all gross proceeds from the sale of any
8
9 Home.
10

11 **"Business Day"** means any day other than a Saturday, Sunday or a "legal holiday"
12
13 listed in Bankruptcy Rule 9006(a).
14

15 **"Cash"** means legal tender issued by the government of the United States of
16
17 America irrespective of the method of payment.
18

19 **"Causes of Action"** means any and all causes of actions of the estate, of whatever
20
21 kind or nature, and whether asserted or unasserted.
22

23 **"Chandler's Estate"** means the residential development known as Chandler's
24
25 Estates Subdivision, located in Salem, Oregon.
26

27 **"Claim"** means (i) a right to payment from the estate (including, without limitation,
28
29 a guaranty), whether or not such right is reduced to judgment, liquidated, unliquidated,
30
31 fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or
32
33 unsecured; or (ii) a right to an equitable remedy for breach of performance from the estate if
34
35 such breach gives rise to a right to payment, whether or not such right to an equitable
36
37 remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed,
38
39 undisputed, secured or unsecured.
40

41 **"Class"** means a Class of Claims or Interests, as described in Article 3 of this Plan
42
43 in accordance with section 1123(a)(1) of the Bankruptcy Code.
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1 **"Committee"** means the official committee of unsecured creditors appointed by the
2
3 U.S. Trustee on October 28, 2008.
4

5 **"Community Costs"** means costs incurred by Debtor, including, without limitation,
6
7 the cost of construction supervision, costs to maintain the existing homes, payment of
8
9 assessments owed to homeowner associations, insurance premiums, accrued and accruing ad
10
11 valorem property taxes, costs to fulfill government conditions under existing permits,
12
13 marketing and advertising costs, and the costs of providing home warranties.
14

15 **"Confirmation"** means the entry of the Confirmation Order by the Bankruptcy
16
17 Court confirming this Plan.
18

19 **"Confirmation Date"** means the date on which the Confirmation Order is entered
20
21 on the docket maintained by the Bankruptcy Court.
22

23 **"Confirmation Order"** means the order of the Bankruptcy Court confirming this
24
25 Plan under section 1129 of the Bankruptcy Code.
26

27 **"Cure"** means the distribution of Cash, or such other property or undertaking as
28
29 may be agreed on by the parties, with respect to the assumption of an executory contract or
30
31 unexpired lease under section 365(b) of the Bankruptcy Code, in an amount equal to all
32
33 accrued, due and unpaid monetary obligations, without interest, as of the Effective Date, or
34
35 such other amount as may be agreed on by the parties, under such executory contract or
36
37 unexpired leases, to the extent such obligations are enforceable under the Bankruptcy Code
38
39 and applicable nonbankruptcy law.
40

41 **"Debtor"** means Pacific Lifestyle Homes, Inc. and any of its former wholly owned
42
43 subsidiaries that were merged immediately prior to the Petition Date, including without
44
45 limitation the following entities: Banner Properties, Inc., Banner Properties of Oregon, Inc.,
46
47

1 Brush College Properties, Inc., Cedar Creek Properties, Inc., Courtyard at Fairfield, Inc., Elk
2 Meadows Properties, Inc., Emerald Vista, Inc., Fairfield, Inc., Garrette Pointe, Inc., KCTL,
3 Inc., Kelley Creek at Pleasant Valley, Inc., Lake River Properties, Inc., Maple Creek
4 Holdings, Inc., Meriwether Estates, Inc., Morgan's Vineyard, Inc., North Pointe Estates,
5 Inc., Northwest Lease Options, Inc., Osprey Pointe, Inc., Pacific Lifestyle Development,
6 Inc., Pacific Lifestyle Holdings, Inc., PL Realty, Inc., Platinum One, Inc., Ponte Cino
7 Properties, Inc., Ponte Cino Townhome Properties, Inc., Songbird, Inc., Sunset Ridge of
8 Washington, Inc., The Reserve at Cooper Mountain, Inc., The Reserve at Sunset Ridge Inc.
9 and Thornton Springs, Inc.

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"DIP Loan" means the debtor in possession loan in the amount of \$1.7 million made by the Wanns pursuant to the terms of that certain Stipulated Order Authorizing Debtor to Obtain Post Petition Financing Pursuant to Section 364 of the Bankruptcy Code and Granting Liens, Security Interests and Super-Priority Administrative Expense Status, which was entered by the Bankruptcy Court on December 9, 2008 and which was extended pursuant to a Stipulated Order Extending Maturity Date of Post-Petition Financing, which was entered by the Bankruptcy Court on March 5, 2010.

"Disclosure Statement" means the disclosure statement, dated May 24, 2010, as amended, supplemented or modified from time to time, describing this Plan, prepared in accordance with section 1126(b) of the Bankruptcy Code.

"Disputed Claim" means (i) a Claim against Debtor that was not timely Filed; (ii) a Claim against Debtor, to the extent that a proof of Claim has been timely Filed or deemed timely Filed under applicable law, as to which an objection has been timely Filed by the Debtor or any other party in interest and which objection has not been withdrawn and has

1 not been denied by a Final Order; (iii) a Claim for which no proof of claim was filed and
2 that was listed in the Schedules as contingent, disputed or unliquidated; and (iv) the Claim
3 of any creditor appealing the Confirmation Order.
4
5

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7 **"Distribution Date"** means as to each Class of Claims, the date on which
8 distributions are to be made as set forth in this Plan.
9

10
11 **"Effective Date"** means the day that (i) is at least fifteen days after the Confirmation
12 Date and (ii) all conditions precedent to this Plan as set forth in Section 10.1 have been
13 satisfied, or, if such date is not a Business Day, the next succeeding Business Day; provided,
14 that if a stay of the Confirmation Order is then in effect, the Effective Date will be the first
15 Business Day after the stay is lifted.
16
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19 **"Entity"** means any individual, corporation, limited liability company or similar
20 entity, limited or general partnership, joint venture, association, joint stock company, estate,
21 entity, trust, trustee, U.S. Trustee, unincorporated organization, government, governmental
22 unit (as defined in the Bankruptcy Code), agency or political subdivision thereof.
23
24

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26 **"Equity Contribution"** means the following equity contribution to be made by the
27 Wann Trust to the Reorganized Debtor: (i) a cash contribution on the Effective Date in the
28 amount of \$2,650,000 and (ii) a cash contribution of up to \$2.3 million, which shall be paid
29 within ten Business Days after Kevin Wann has received his 2009 federal tax return.
30
31

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33 **"Fee Claim"** means a Claim under sections 326, 330 or 503 of the Bankruptcy Code
34 for allowance of compensation and reimbursement of expenses in the Bankruptcy Case.
35
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37
38 **"Filed"** means filed with the Bankruptcy Court in this Bankruptcy Case.
39

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41 **"Final Order"** means an order, ruling or judgment that is no longer subject to
42 review, reversal, modification or amendment by appeal or writ of certiorari.
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1 **"Home"** means a residential dwelling unit (whether a house or townhome) that is
2
3 constructed by the Debtor or the Reorganized Debtor.
4

5 **"Homeowner"** means any person who has purchased a Home from the Debtor or
6
7 Reorganized Debtor.
8

9 **"Interests"** means any and all equity interests in Debtor no matter how designated.
10

11 **"Kevin Wann"** means the President of Debtor and indirect sole shareholder of
12
13 Debtor.
14

15 **"KeyBank"** means KeyBank, National Association.
16

17 **"KeyBank Note"** means the promissory note to be given to KeyBank by the
18
19 Reorganized Debtor evidencing KeyBank's Secured Claim.
20

21 **"KeyBank Returned Collateral"** means the Completed Homes, the Lots, and the
22
23 Partial Homes, to the extent not sold by Debtor or Reorganized Debtor pursuant to the terms
24
25 of the KeyBank Settlement Agreement, all as defined in the KeyBank Settlement
26
27 Agreement.
28

29 **"KeyBank Settlement Agreement"** means that settlement agreement by and
30
31 between Debtor and KeyBank dated effective March 5, 2010, approved by the Bankruptcy
32
33 Court by order dated April 2, 2010.
34

35 **"KeyBank WIP"** means the improvements on, and Lots 79, 40, 55, 60 and 99 at
36
37 Taverner Ridge and Lot 15 at Meriwether Hillshire, which Lots are currently under
38
39 construction and currently marketed for sale.
40

41 **"Meriwether Hillshire"** means the residential development known as Meriwether-
42
43 Hillshire, located in Woodland, Washington.
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1 **"Oregon Lien Order"** means the Order Establishing Procedures for the Resolution
2 and Payment of Certain Liens entered by the Bankruptcy Court on April 16, 2009.
3

4 **"OYL Homes"** means any Home constructed by the Reorganized Debtor for a
5 Homeowner on a parcel of land either (i) already owned by such Homeowner or (ii)
6 purchased by the Reorganized Debtor for such Homeowner, but not any Home constructed
7 on land that is currently part of an existing development of the Reorganized Debtor.
8
9

10 **"Petition Date"** means October 16, 2008, the date the Bankruptcy Case was
11 commenced.
12

13 **"Plan"** means this chapter 11 plan of reorganization together with all exhibits and
14 attachments hereto, either in its present form or as it may be altered, amended or modified
15 pursuant to Section 12.3 of this Plan and applicable provisions of the Bankruptcy Code and
16 Bankruptcy Rules.
17

18 **"Plan Interest Rate"** means the United States Prime Rate as listed in the Eastern
19 print edition of the Wall Street Journal plus .25%, which rate shall be fixed on the Effective
20 Date.
21

22 **"Priority Claim"** means any Claim, other than a Priority Tax Claim or an
23 Administrative Claim, which is entitled to priority in payment under section 507(a) of the
24 Bankruptcy Code.
25

26 **"Priority Tax Claim"** means any Claim that is entitled to priority in payment under
27 section 507(a)(8) of the Bankruptcy Code.
28

29 **"Pro Rata"** means at any particular time, with respect to each Class of Claims, the
30 same proportion that the Allowed amount of a Claim in such Class of Claims bears to the
31 aggregate of: (i) the Allowed amount of all such Claims, plus (ii) the aggregate asserted
32
33

1 amount of all Disputed Claims of such Class of Claims, as reduced from time to time as and
2
3 to the extent that the Allowed amount of such Claim is determined.
4

5 **"Schedules"** means the schedules of assets and liabilities filed by Debtor with the
6
7 Bankruptcy Court in accordance with section 521(1) of the Bankruptcy Code, including any
8
9 supplements or amendments made thereto pursuant to Bankruptcy Rule 1009.
10

11 **"Secured Claim"** means any Claim that is secured by a validly existing and
12
13 properly perfected security interest, either by deed of trust, mortgage or financing statement,
14
15 or pursuant to applicable law, in property of the Debtor.
16

17 **"Secured Tax Claim"** means any and all Claims of governmental units for ad
18
19 valorem property taxes or similar impositions that are secured by statutory liens on any of
20
21 the Debtor's property, whether real or personal, which liens take priority over all other liens
22
23 against the same property.
24

25 **"Segregated DIP Account"** means each segregated account established for each of
26
27 KeyBank, BofA and WCB and, in some instances, for each of the related projects, pursuant
28
29 to the Bankruptcy Court's Final Order (I) Authorizing Debtor to Sell Homes Free and Clear
30
31 of Liens, Claims and Encumbrances, and Other Interests and (II) Authorizing Debtor to
32
33 Assume Certain Executory Contracts, which was entered on November 10, 2008.
34

35 **"Settlement Payment"** means the amount of \$750,000 to be either paid by the
36
37 Wanns or offset against amounts owed to the Wanns under the DIP Loan, to settle any and
38
39 all Causes of Action that the estate may be entitled to assert against them, their affiliates or
40
41 subsidiaries.
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1 **"Small Unsecured Claims"** means those Creditors with Unsecured Claims of
2
3 \$8,000 or less, including those creditors who elect to reduce their Unsecured Claim to
4
5 \$8,000.
6

7 **"Songbird"** means the residential development known as Songbird, located in
8
9 Vancouver, Washington.
10

11 **"Spec Home"** means a Home that is not the subject of a bona fide written agreement
12 that is entered into in the ordinary course of the Reorganized Debtor's business and by which
13 the purchaser thereunder agrees to purchase a Home, provided that: (i) the agreement is
14
15 accompanied by a cash earnest money deposit or down payment of at least \$5,000 plus an
16
17 amount equal to 30 percent of the total amount of all upgrades, if any, that are to be paid for
18
19 by the purchaser (i.e., upgrades that are not sales incentives or concessions), (ii) the
20
21 agreement provides that the purchaser's earnest money deposit or down payment may be
22
23 retained by the Reorganized Debtor as liquidated damages in the event of a default
24
25 thereunder by the purchaser, and (iii) the purchaser's obligation to close the purchase and
26
27 sale transaction is not subject to contingencies other than a contingency relating to the
28
29 purchaser's financing of the purchase price, which contingency is satisfied before such time
30
31 as construction of the Home in question is at least 95 percent complete. In the event that a
32
33 pre-sale contract is terminated, then such Home shall be returned to the status of a Spec
34
35 Home for purposes of the spec limitations set forth in this Plan; provided, however, that if
36
37 such termination results in the Reorganized Debtor having more Spec Homes than allowed,
38
39 it shall not constitute a default under any of the amended loan documents but the
40
41 Reorganized Debtor shall not be entitled to build any new Spec Home until it is below the
42
43 required Spec Home limit.
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1 **"Sunset Ridge"** means the residential development known as Reserve at Sunset
2
3 Ridge, located in Washougal, Washington.
4

5 **"Taverner Ridge"** means the residential development known as Taverner Ridge,
6
7 located in Ridgefield, Washington.
8

9 **"Unsecured Claims"** means all Allowed Claims not otherwise classified or
10
11 designated in this Plan.
12

13 **"U.S. Trustee"** means the Office of the United States Trustee.
14

15 **"Wanns"** means Kevin and Nicki Wann, individually and the marital community
16
17 composed thereof.
18

19 **"Wann Parties"** means the Wanns, the Wann Family Trust, and any other person or
20
21 entity that, directly or indirectly, through one or more intermediaries, controls, or is
22
23 controlled by, or is under common control by either or both of the Wanns or the Wann
24
25 Family Trust and all successors, assigns and personal representatives of any of the
26
27 foregoing.
28

29 **"Wann Trust"** means The Wann Family Trust, Fund B, dated December 14, 2006,
30
31 as amended.
32

33 **"WCB"** means West Coast Bank.
34

35 **"WCB Adequate Protection"** means either (a) a first position deed of trust on
36
37 otherwise unencumbered lots owned by Reorganized Debtor, the value of which shall be
38
39 equal to 10% of all funds used from the Segregated DIP Account for construction of the
40
41 WCB Remaining Collateral or (b) at the sole option of Reorganized Debtor, which may be
42
43 exercised at any time after the Effective Date, adequate protection in the form of a
44
45 segregated cash account equal to 10% of all funds used from the Segregated DIP Account
46
47

1
2 for construction of the WCB Remaining Collateral, in which instance, WCB will release its
3 interest in the lots that had previously been given as security. The adequacy of the reserve
4 will be reviewed as deemed necessary by WCB and the Reorganized Debtor, but in any
5 event no more frequently than quarterly.
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9
10 **"WCB Cash Collateral Order"** means that certain Stipulated Order Pursuant to
11 Sections 361 and 363 of the Bankruptcy Code, Authorizing Debtor's Use of Cash Collateral
12 and Granting Adequate Protection (West Coast Bank), which was entered by the Bankruptcy
13 Court on April 16, 2009.
14
15
16

17 **"WCB Disposition Period"** means the 270 day period following the Effective Date.
18

19 **"WCB Note"** means the promissory note to be given to WCB by the Reorganized
20 Debtor evidencing WCB's Secured Claim.
21
22

23 **"WCB Remaining Collateral"** means the completed homes and improvements on
24 lots at Chandler's Estate and lots at Sunset Ridge, which are either fully completed or
25 currently under construction and currently marketed for sale.
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29 **"WCB Takedown Agreement"** means the takedown purchase agreement to be
30 entered into by and between WCB and Reorganized Debtor pursuant to which Reorganized
31 Debtor will be entitled to purchase the WCB Undeveloped Lots returned to WCB. The
32 purchase price to be paid for any such WCB Undeveloped Lot will be (a) \$53,000 for Sunset
33 Ridge and \$51,000 for Chandler's Estate and (b) paid on the earlier to occur of (i) the sale of
34 the completed home on such lot to a third party purchaser or (ii) the date that is 270 days
35 after the date such WCB Undeveloped Lot was taken down by Reorganized Debtor.
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1 **"WCB Undeveloped Lot"** means any and all lots at Chandler's Estate or Sunset
2 Ridge that as of the Effective Date have no improvements on them other than utilities and
3
4 roads and for which no building permit has been obtained.
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6

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8 **ARTICLE 2**
9 **PROVISIONS FOR TREATMENT OF ADMINISTRATIVE**
10 **AND PRIORITY TAX CLAIMS**
11

12 **2.1 Administrative Claims.**

13 Each Administrative Claim other than Fee Claims accrued on or before, but unpaid
14 as of, the Effective Date will be paid in full in Cash on the latest of: (i) the Effective Date;
15 (ii) the date on which the Bankruptcy Court enters an order allowing such Administrative
16 Claim; or (iii) the date on which Debtor or Reorganized Debtor, as the case may be, and the
17 holder of such Allowed Administrative Claim otherwise agree in writing; provided,
18 however, that Administrative Claims representing indebtedness or other obligations incurred
19 in the ordinary course of business of Debtor will be paid in the ordinary course of business
20 and in accordance with any terms and conditions of any agreement or order relating thereto.
21
22

23 **2.2 Professional Fees.**

24 Each professional person, whose retention or appointment in the Bankruptcy Case
25 has been approved by the Bankruptcy Court, and who holds or asserts a Fee Claim, shall file
26 with the Bankruptcy Court and serve on all parties required to receive notice a final fee
27 application within 45 days after the Effective Date. The failure to timely file the fee
28 application as required under this Section 2.2 will result in the Fee Claim being forever
29 barred and discharged. A Fee Claim with respect to which a fee application has been
30 properly filed pursuant to this Section 2.2 will become an Allowed Administrative Claim
31 only to the extent allowed by Final Order. All Allowed Fee Claims shall be paid by the
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1 Reorganized Debtor from Cash from operations or through application of any retainer held
2 by such professional person.
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5 **2.3 Priority Tax Claims.**
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7 Each holder of an Allowed Priority Tax Claim will be paid the full amount of its
8 Allowed Priority Tax Claim on the Effective Date.
9
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11 **ARTICLE 3**
12 **CLASSIFICATION OF CLAIMS AND INTERESTS**
13

14 Pursuant to section 1122 of the Bankruptcy Code, set forth below is a designation of
15 Classes of Claims and Interests. Administrative Claims and Priority Tax Claims of the kinds
16 specified in section 507(a)(8) of the Bankruptcy Code (the treatment of which is set forth in
17 Article 2 above) have not been classified and are excluded from the following Classes, in
18 accordance with section 1123(a)(1) of the Bankruptcy Code.
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20
21
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23
24

25 **3.1 Claims.**
26

27 Class 1. Class 1 consists of all Allowed Priority Claims.
28

29 Class 2. Class 2 consists of the Allowed Secured Claim of BofA that is
30 secured by liens on the subdivision in Vancouver, Washington, known as Songbird.
31

32 Class 3. Class 3 consists of the Allowed Secured Claim of KeyBank that is
33 secured by liens on the following subdivisions (i) Morgan's Vineyard, in Yamhill
34 County, Oregon; (ii) Meriwether- Hillshire, and (iii) Taverner Ridge.
35
36
37

38 Class 4. Class 4 consists of the Allowed Secured Claim of WCB that is
39 secured by liens on the following two subdivisions (i) Chandler's Estate Phase 2 in
40 Marion County, Oregon, and (ii) Sunset Ridge in Clark County, Washington.
41
42
43

44 Class 5. Class 5 consists of all Allowed Claims that are secured by statutory
45 liens under Oregon's Construction Lien Law (i.e. ORS 87.001 to 87.060 and 87.075
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1 to 87.093) on the Debtor's property, in each case, to the extent that (i) such Claim is
2 valid and enforceable under applicable law and under the provisions of the Oregon
3 Lien Order, and (ii) the lien securing such Claim has priority over the recorded trust
4 deed lien on such property. Each such Claim shall be deemed placed in a separate
5 subclass for Plan voting purposes.
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11 Class 6. Class 6 consists of all Claims of governmental units for ad valorem
12 property taxes or similar impositions that are secured by statutory liens on any of the
13 property (real or personal) to be owned by Debtor on the Effective Date.
14
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17 Class 7. Class 7 consists of all Claims of sureties that, in each case, arose or
18 arises under a surety, maintenance or performance bond, except for those surety
19 bonds that have been terminated or rejected pursuant to this Plan.
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23 Class 8. Class 8 consists of all Allowed Small Unsecured Claims.
24

25 Class 9. Class 9 consists of all Allowed Other Unsecured Claims not
26 otherwise classified or treated under this Plan.
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30 **3.2 Interests.**

31 Class 10. Class 10 consists of all Allowed Interests outstanding as of the
32 Effective Date.
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ARTICLE 4
IDENTIFICATION OF CLASSES OF CLAIMS AND
INTERESTS IMPAIRED AND NOT IMPAIRED BY THIS PLAN

4.1 Classes of Claims and Interests Not Impaired by this Plan.

Priority Claims (Class 1), Property Tax Lien Claims (Class 6) and Surety Bond Claims (Class 7) and Interests (Class 10) are not impaired by this Plan. Under section 1126(f) of the Bankruptcy Code, holders of those Claims and Interests are conclusively presumed to accept this Plan, and the votes of those holders will not be solicited.

4.2 Classes of Claims Impaired by this Plan.

Allowed Claims in Classes 2, 3, 4, 5, 8, and 9 are impaired by this Plan and the holders of those Claims are entitled to vote to accept or reject this Plan.

ARTICLE 5
PROVISIONS FOR TREATMENT OF CLAIMS AND INTERESTS

The treatment of and consideration to be received by holders of Allowed Claims pursuant to this Plan will be in full settlement, release and discharge of their respective Allowed Claims unless otherwise specified herein.

5.1 Class 1. Priority Claims.

Class 1 is unimpaired. On the latest of: (i) the Effective Date; (ii) ten days after the date a Priority Claim becomes an Allowed Claim; and (iii) the date on which the Debtor or the Reorganized Debtor, as the case may be, and the holder of such Allowed Priority Claim otherwise agree in writing, each holder of an Allowed Priority Claim will be entitled to receive Cash in an amount sufficient to render the Allowed Priority Claim unimpaired under section 1124 of the Bankruptcy Code, in full settlement, release and discharge of such Allowed Priority Claim.

1 **5.2 Class 2. BofA Secured Claim.**

2 Class 2 is impaired by this Plan and BofA is entitled to vote on this Plan. BofA shall
3
4 receive the treatment described in this section.
5

6 (a) On the Effective Date, the Reorganized Debtor shall execute and deliver to
7
8 BofA the BofA Note and the other Amended BofA Loan Documents. The BofA Note shall
9
10 be in a principal amount of equal to the difference between (i) \$3,438,000.00, and (ii) all
11
12 payments made by Debtor to BofA from April 5, 2010 through the Effective Date. Interest
13
14 shall accrue on the principal balance of the BofA Note at the BofA Interest Rate from the
15
16 Effective Date until the principal balance is paid in full.
17

18 (b) The Reorganized Debtor shall make payments to BofA in accordance with
19
20 the terms of the BofA Settlement Agreement.
21

22 (c) The BofA Note shall be secured by (i) a first priority trust deed lien on all
23
24 remaining lots, partially completed homes and Homes at Songbird, and (ii) a first priority
25
26 security interest in the holder's interest in the Segregated DIP Cash, in each case, subject and
27
28 subordinate only to Claims of governmental units for ad valorem property taxes and similar
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30 impositions and Allowed Class 5 Claims, if any, that are secured by liens on such property
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32 and that have priority over the liens of BofA. So long as the Reorganized Debtor is not in
33
34 default of its obligations hereunder to BofA, BofA shall, from time to time on the written
35
36 request of the Reorganized Debtor, release its lien on lots in Songbird, in each case, upon
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38 receipt of a principal payment on the BofA Note equal to the applicable lot release payment
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40 as provided for in the BofA Amended Loan Documents and as set forth in the BofA
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42 Settlement Agreement.
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2 (d) The Reorganized Debtor shall cooperate fully with BofA to the extent
3 necessary to assist in the disposition of the BofA Other Collateral as contemplated by the
4 BofA Settlement Agreement.
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8 **5.3 Class 3. KeyBank Secured Claim.**
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10 Class 3 is impaired by this Plan and KeyBank is entitled to vote on this Plan.
11 KeyBank shall receive the treatment described in this section.
12

13 (a) The Reorganized Debtor shall pay to KeyBank such amounts as are required
14 by the KeyBank Settlement Agreement.
15

16
17 (b) The KeyBank Note shall be secured by (i) a first priority trust deed lien on
18 the KeyBank WIP, and (ii) a first priority security interest in the holder's interest in the
19 Segregated DIP Cash, in each case, subject and subordinate only to Claims of governmental
20 units for ad valorem property taxes and similar impositions and Allowed Class 5 Claims, if
21 any, that are secured by liens on such property and that have priority over the liens of
22 KeyBank. So long as the Reorganized Debtor is not in default of its obligations hereunder
23 to KeyBank, KeyBank shall, from time to time on the written request of the Reorganized
24 Debtor, release its lien on the KeyBank WIP as may be required by the KeyBank Settlement
25 Agreement.
26
27

28 (c) The Reorganized Debtor shall cooperate fully with KeyBank to the extent
29 necessary to assist in the sale of the KeyBank Returned Collateral.
30
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32
33 **5.4 Class 4. West Coast Bank Secured Claim.**
34

35 Class 4 is impaired by this Plan and WCB is entitled to vote on this Plan. WCB shall
36 receive the treatment described in this section.
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2 (a) On the Effective Date, Debtor will turn over all Segregated DIP Cash except
3 for amounts necessary to (i) complete all existing WCB WIP (including Community Costs)
4 and (ii) cover warranty reserve expenses in the amount of \$1,500 per house remaining under
5 the one-year Debtor warranty, including all Homes sold in the year prior to the Effective
6 Date.
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11 (b) On the Effective Date, the Reorganized Debtor shall execute and deliver to
12 WCB the WCB Note, which shall be secured by (i) a first priority trust deed lien on the
13 WCB Remaining Collateral, (ii) a first priority security interest in the holder's interest in the
14 remaining Segregated DIP Cash, and (iii) the WCB Adequate Protection, in each case,
15 subject and subordinate only to Claims of governmental units for ad valorem property taxes
16 and similar impositions and Allowed Class 5 Claims, if any, that are secured by liens on
17 such property and that have priority over the liens of WCB.
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25 (c) After the Effective Date, Debtor shall be responsible for completing all WCB
26 Remaining Collateral as soon as commercially practicable, but in any event no later than
27 four months after the Effective Date.
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31 (i) Reorganized Debtor shall have the WCB Disposition Period to sell
32 any existing Homes and any Home completed after the Effective
33 Date.
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37 (ii) If Reorganized Debtor is able to close a sale during the WCB
38 Disposition Period, Reorganized Debtor shall be entitled to payment
39 of the Builder's Reserve and the applicable Community Costs, in
40 accordance with the terms of the WCB Cash Collateral Order. As
41 used herein, a "qualified buyer" means any buyer that has (1) entered
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2 into a purchase agreement for the Home, (2) has paid the earnest
3 money deposit or down payment of at least \$5,000 plus an amount
4 equal to 30 percent of the total amount of all upgrades, if any, that are
5 to be paid for by the purchaser (i.e., upgrades that are not sales
6 incentives or concessions) (the "Earnest Money Deposit"), (3) has a
7 commitment for the necessary financing, and (4) has no contingencies
8 to the purchase of the Home.
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15 (iii) If Reorganized Debtor is unable to either (1) find a qualified buyer for
16 any completed Home or any Home completed after the Effective Date
17 or (2) close a sale to a qualified buyer within the WCB Disposition
18 Period, Reorganized Debtor shall transfer such Home to WCB
19 pursuant to a deed in lieu of foreclosure and shall not be entitled to
20 payment of the Builder's Reserve and the applicable Community
21 Costs, as set forth in the cash collateral order.
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29 (iv) Each month prior to any payments to its subcontractors, Reorganized
30 Debtor shall provide WCB with a construction budget for each of the
31 Homes that comprise the WCB Remaining Collateral that sets forth
32 the amount spent to date, and the amount to be paid in the next
33 monthly payment cycle. Reorganized Debtor shall ensure that a lien
34 waiver is obtained, covering the particular payment, before the
35 payment is issued to a subcontractor and after the completion of each
36 monthly payment cycle, will forward a copy of the lien waivers
37 received that month to WCB. Upon substantial completion (i.e. the
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1 point when construction is sufficiently complete in accordance with
2 the contract documents, that the owner can occupy or utilize the
3 building or space) of any Home that is part the WCB Remaining
4 Collateral, Reorganized Debtor shall inform WCB of such substantial
5 completion and shall have a notice of completion as allowed by ORS
6 87.045(2), posted and recorded. For any Home that is part of the
7 WCB Remaining Collateral located in Washington, Reorganized
8 Debtor shall provide WCB with a notice of completion in a mutually
9 agreeable form. Upon request and after reasonable notice,
10 Reorganized Debtor shall provide to WCB any other information
11 requested by WCB concerning or related to ongoing work in progress
12 and payments to subcontractors, related lien releases or other matters
13 that might otherwise impair or affect the lien priority of WCB as it
14 relates to the WCB Remaining Collateral. The Reorganized Debtor
15 will not allow a construction or mechanic's lien to be placed on any Lot that
16 is part of the WCB Remaining Collateral. If such a lien is recorded against
17 any Lot that is part of the WCB Remaining Collateral then the Reorganized
18 Debtor will, within five (5) working days of receipt of notice of the lien pay
19 or satisfy the lien or bond the lien.

20 (d) On the Effective Date or as soon thereafter as possible, Reorganized Debtor
21 will transfer the WCB Undeveloped Lots to WCB pursuant to deeds in lieu of foreclosure.

22 (e) On the Effective Date Reorganized Debtor and WCB shall enter into the
23 WCB Takedown Agreement. The WCB Takedown Agreement will provide, among other
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1 things that the Reorganized Debtor will take down two WCB Undeveloped Lots in the first
2 quarter after the Effective Date and three WCB Undeveloped Lots every quarter thereafter.
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4 Notwithstanding the foregoing, Reorganized Debtor shall not be allowed to take down more
5 than three WCB Undeveloped Lots in any one subdivision at any time unless (1) one of the
6 prior Spec Homes has been converted to a presale, (2) Reorganized Debtor has a presale for
7 such WCB Undeveloped Lot; or (3) Reorganized Debtor has either paid the lot release price
8 for such lot or a prior lot that it had taken down under the WCB Takedown Agreement (the
9 "Lot Limit"). Notwithstanding the foregoing, WCB shall retain the right to sell some or all
10 of the WCB Undeveloped Lots subject to the WCB Takedown Agreement to one or more
11 third parties.
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21 (f) WCB will waive any Unsecured Claims it may be entitled to assert against
22 Debtor, including any Claim for payment of the unsecured line of credit and shall not
23 participate in any distributions to Class 9.
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27 **5.5 Class 5. Oregon Lien Claims.**

28 Class 5 is impaired by this Plan and each holder of a Class 5 Claim is entitled to vote
29 on this Plan. The Reorganized Debtor shall pay to each holder of an Allowed Class 5 Claim,
30 in Cash from the proceeds of the collateral securing such Claim, the Allowed Amount
31 thereof pursuant to the terms of the Oregon Lien Order. All Allowed Class 5 Claims shall
32 bear interest at the Plan Interest Rate from the date of perfection of such statutory lien until
33 payment.
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1 **5.6 Class 6. Property Tax Lien Claims.**

2 Class 6 is unimpaired and the holders of Class 6 Claims are not entitled to vote on
3
4 this Plan. The Reorganized Debtor shall pay to each holder of an Allowed Class 6 Claim, in
5
6 Cash on the Effective Date from the appropriate Segregated DIP Account.
7

8 **5.7 Class 7. Surety Bond Claims.**

9 Class 7 is unimpaired by this Plan and the holders of Class 7 Claims are not entitled
10
11 to vote on this Plan. The rights of the creditors holding Class 7 Claims will remain
12
13 unaltered.
14

15 **5.8 Class 8. Small Unsecured Claims.**

16 Class 8 is impaired by this Plan and each holder of a Class 8 Claim is entitled to vote
17
18 on this Plan. The Reorganized Debtor shall pay to each holder of a Small Unsecured Claim,
19
20 in Cash, an amount equal to 40 percent of the Allowed Amount thereof paid (a) 50% on the
21
22 Effective Date and (b) 50% on the 6 month anniversary of the Effective Date, or (c) as soon
23
24 thereafter as the Allowed Amount is determined.
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26

27 **5.9 Class 9. Other Unsecured Claims.**

28 Class 9 is impaired by this Plan and each holder of a Class 9 Claim is entitled to vote
29
30 on this Plan. Each holder of an Unsecured Claim will receive a distribution of 10% of its
31
32 Allowed Unsecured Claim, which distribution will be paid annually, on the anniversary of
33
34 the Effective Date for the next five years. The distributions to each Unsecured Creditor with
35
36 an Allowed Claim will be made as follows: (i) 10% on the first anniversary of the Effective
37
38 Date; (ii) 15% on the second anniversary of the Effective Date, (iii) 20% on the third
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40 anniversary of the Effective Date; (iv) 25% on the fourth anniversary of the Effective Date;
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42 and (v) 30% on the fifth anniversary of the Effective Date.
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1 **5.10 Class 10. Existing Interests.**

2 Class 10 is unimpaired by this Plan and the holder of the Interests of the Debtor shall
3
4 be deemed to accept this Plan. The Wann Trust, as the current holder of the Interests, shall
5
6 be entitled to retain the Interests in exchange for the Equity Contribution.
7

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9 **ARTICLE 6**
10 **ACCEPTANCE OR REJECTION OF THIS PLAN**

11
12 **6.1 Each Impaired Class Entitled to Vote Separately.**

13 The holders of Claims in Classes 2, 3, 4, 5, 8, and 9 will be entitled to vote separately
14
15 as a Class to accept or reject this Plan. The holders of Priority Claims (Class 1), Property
16
17 Tax Lien Claims (Class 6), Surety Bond Claims (Class 7), and Interests (Class 10) are not
18
19 impaired and are deemed to have accepted this Plan.
20

21
22 **6.2 Acceptance by a Class of Claims.**

23 Consistent with section 1126(c) of the Bankruptcy Code, and except as provided in
24
25 section 1126(e) of the Bankruptcy Code, a Class of Claims shall have accepted this Plan if
26
27 this Plan is accepted by at least two-thirds in dollar amount and more than one-half in
28
29 number of the holders of the Allowed Claims of such Class that have timely and properly
30
31 voted to accept or reject this Plan. If creditors in a Class either (i) fail to vote to either
32
33 accept or reject this Plan and (ii) fail to object to this Plan, such Class shall be deemed to
34
35 accept this Plan.
36

37
38 **ARTICLE 7**
39 **MEANS FOR IMPLEMENTATION AND EXECUTION OF THIS PLAN**

40
41 **7.1 Repayment of DIP Loan.**

42 On the Effective Date, the Reorganized Debtor shall repay all amounts due and
43
44 owing under the DIP Loan to the Wanns, after taking into account any offset of the
45
46 Settlement Payment against amounts owed under the DIP Loan.
47

1 **7.2 Effective Date Transactions.**

2 On the Effective Date, or as soon thereafter as is practicable, among other things, (i)
3 the Debtor's articles of incorporation and bylaws shall be amended as necessary to comply
4 with the provisions of section 1123(a)(6) of the Bankruptcy Code and otherwise in a manner
5 not inconsistent with this Plan, and (ii) the Reorganized Debtor shall execute and delivery all
6 documents, instruments and agreements that are necessary to implement this Plan. The
7 Reorganized Debtor is authorized to form any subsidiaries that it deems necessary or
8 desirable to implement the terms of this Plan.
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16 **7.3 Continuation of Business.**

17 Upon confirmation of this Plan, the Reorganized Debtor will continue its legal
18 existence and will be revested with title to all property of its estate. From and after the
19 Effective Date, the Reorganized Debtor shall operate its business in a manner consistent
20 with this Plan.
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26 **7.4 Management and Operations.**

27 The Reorganized Debtor's post-confirmation business shall consist of managing and
28 running the business through the Reorganized Debtor or any affiliates that the Reorganized
29 Debtor believes are appropriate for operation of the Reorganized Debtor's business;
30 provided, however, any new entity formed by Reorganized Debtor shall be jointly and
31 severally liable with PLHI under this Plan. The Reorganized Debtor shall be authorized to
32 operate its business and to use, sell, lease or otherwise dispose of its property free of any
33 restrictions contained in the Bankruptcy Code or Bankruptcy Rules, but subject to applicable
34 non-bankruptcy law and the provisions of this Plan.
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1 **7.5 Plan Funding.**

2 This Plan shall be funded by a combination of the Debtor's Cash on hand as of the
3 Effective Date, including all remaining amounts in the Segregated DIP Accounts, the Equity
4 Contribution, the Settlement Payment and Cash that is collected or generated by the
5 Reorganized Debtor after the Effective Date.
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10 **7.6 Release of Wann Trust, the Wann Parties and Wanns by Debtor.**

11 In exchange for the Equity Contribution, the Settlement Payment and the treatment
12 afforded under this Plan, the Debtor, the Wann Trust, the Wann Parties and either or both of
13 the Wanns, for themselves and their heirs, estates, subsidiaries, affiliates, officers, directors,
14 employees, shareholders, agents, representatives, attorneys, insurers, and assigns, each
15 hereby waive, release and forever discharge the other, and its parent corporations,
16 subsidiaries, affiliates, officers, directors, employees, shareholders, agents, representatives,
17 attorneys, insurers, and assigns from any and all past, present, and future claims, defaults,
18 demands, obligations, defenses, setoffs, actions, causes of action, rights, and damages
19 relating to or arising out of any claim under any legal theory, including, without limitation,
20 under contract, tort, or otherwise, which the Debtor, the Wann Parties, the Wann Trust or
21 either or both of the Wanns now have, may claim to have, ever had, or may hereafter
22 acquire, whether such claims are currently known, unknown, foreseen, or unforeseen, from
23 the beginning of time through and including the Effective Date of this Plan, including,
24 without limitation, any and all claims arising under chapter 5 of the Bankruptcy Code or as
25 defined in section 101(5) of the Bankruptcy Code. Notwithstanding the foregoing, nothing
26 contained herein shall constitute a release of any claims, defaults, demands, obligations,
27 defenses, setoffs, actions, causes of action, rights, and damages relating to or arising out of
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1 this Plan, or any other agreement entered into between the Wann Trust, the Wann Parties, or
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3 the Wanns and the Debtor or Reorganized Debtor in connection with this Plan.
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6 **7.7 Preservation of Causes of Action and Avoidance Actions.**
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8 All Causes of Action and Avoidance Actions, other than those released in Section
9
10 7.5 above, are preserved and reserved for later adjudication in accordance with this Plan, and
11 therefore no preclusion doctrine, including, without limitation, the doctrines of *res judicata*,
12 collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or
13 otherwise) or laches will apply to those Claims or causes of action on or after Confirmation
14 or the Effective Date of this Plan. The failure to specifically list or otherwise identify an
15 Avoidance Claim or Cause of Action in this Plan or the Disclosure Statement: (i) is not
16 intended to effect, and to the extent permitted by law will not be deemed to effect a release
17 or waiver of such Avoidance Claim or Cause of Action; and (ii) is not indeed to impair, and
18 to the extent permitted by law will not impair, the Reorganized Debtor's right to pursue such
19 an Avoidance Claim or Cause of Action.
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30 **7.8 Compensation of Professionals.**
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32 All professionals employed after the Effective Date by the Reorganized Debtor and
33 prior to the closing of the Bankruptcy Case will be paid by the Reorganized Debtor without
34 the need for Bankruptcy Court approval.
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38 **ARTICLE 8**
39 **PROVISIONS GOVERNING DISTRIBUTIONS AND DISPUTED CLAIMS**
40

41 **8.1 Disbursing Agent.**
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43 The Reorganized Debtor shall act as a disbursing agent for all disbursements
44 required under this Plan.
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1 **8.2 Record Date.**

2 The record date for distributions will be the date of approval of the Disclosure
3 Statement or any later date established by order of the Bankruptcy Court.
4

5 **8.3 Timing of Distributions.**

6 Except as otherwise provided for herein or ordered by the Bankruptcy Court,
7 distributions under this Plan shall be made on the Effective Date and on each Distribution
8 Date, or, in each case, as soon thereafter as is practicable.
9

10 **8.4 Interest on Claims.**

11 Unless otherwise specifically provided for in this Plan, the Confirmation Order or the
12 Bankruptcy Code, postpetition interest shall not accrue or be paid on any Claim.
13

14 **8.5 Withholding Taxes.**

15 Any federal, state, or local withholding taxes or other amounts required to be
16 withheld under applicable law will be deducted by Reorganized Debtor from all
17 distributions made by it. All Entities holding Claims shall provide any information
18 necessary to effect the withholding of such taxes.
19

20 **8.6 Fractional Cents.**

21 Any other provision of this Plan to the contrary notwithstanding, no payment of
22 fractions of cents will be made. Whenever any payment of a fraction of a cent would
23 otherwise be called for, the actual payment will reflect a rounding down of such fraction to
24 the nearest whole cent.
25

26 **8.7 No Distributions Under Twenty Dollars.**

27 No distribution of less than \$20.00 shall be made to the holder of any Allowed Claim
28 and all such Claims are discharged.
29

1 **8.8 Undeliverable or Unclaimed Distributions.**

2 For a period of 180 days after any particular distribution is made pursuant to this
3 Plan, distributions that are unclaimed, including (i) checks that have been returned as
4 undeliverable without a proper forwarding address and (ii) checks that were not mailed or
5 delivered because of the absence of a proper address to which to mail or deliver the same,
6 shall be distributed to the holders of Allowed Claims entitled thereto upon presentment to
7 the Reorganized Debtor of satisfactory proof of entitlement. The Reorganized Debtor shall
8 make a reasonable effort to ascertain the correct mailing address from information generally
9 available to the public for each holder of an Allowed Claim whose check or other property
10 cannot be mailed or delivered because of the absence of a proper address or whose check
11 has been returned without a proper forwarding address. On the first day after the expiration
12 of such 180 day period (i) holders of Allowed Claims previously entitled to such
13 undeliverable or unclaimed distribution shall no longer be entitled to such distribution and
14 (ii) such Claims shall be deemed disallowed for all purposes, including any future
15 distributions. Pursuant to Section 347(b) of the Bankruptcy Code, all disbursements made
16 under this Plan that remain unclaimed as set forth herein shall become property of the
17 Reorganized Debtor.
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34 **8.9 Time Bar to Cashing Distribution Checks.**

35 The Reorganized Debtor may (but shall not be obligated to) stop payment on any
36 check issued by it in respect of Allowed Claims if such check is not negotiated within 60
37 days after the date of issuance thereof. Request for reissuance of any check shall be made to
38 the Reorganized Debtor in accordance with this Plan, by the holder of the Allowed Claim to
39 whom such check originally was issued, prior to the expiration of the 180 day period set
40 forth in Section 8.8 of this Plan. After such date, the holder of any such Claim who has
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1 failed to make a timely request for reissuance of such a voided check shall not be entitled to
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4 any other or further distribution under this Plan on account of such voided check or such
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6 Claim.

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8 **8.10 Transmittal of Distributions and Notices.**

9
10 Any property or notices, including distributions, that an entity is or becomes entitled
11
12 to receive pursuant to this Plan may be delivered by regular mail, postage prepaid, in an
13
14 envelope addressed to that entity at the address indicated on a properly filed proof of claim
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16 or, absent such a proof of claim, the address that is listed on the Debtor's schedules, as they
17
18 may from time to time be amended in accordance with Bankruptcy Rule 1009; provided,
19
20 however, that a holder of a Claim may designate a different address for notices and
21
22 distributions by notifying the Reorganized Debtor of a change of address in writing. The
23
24 new address shall be effective upon receipt by the Reorganized Debtor of such notice.

25
26 **8.11 Disputed Claims.**

27
28 The Reorganized Debtor shall have the exclusive right to file objections to the
29
30 allowance of any Claim no later than 120 days after the Effective Date, unless for cause
31
32 shown the Bankruptcy Court extends such deadline. No disbursement shall be made on
33
34 account of a Disputed Claim as to which an objection has been interposed or as to which a
35
36 counterclaim or setoff has been asserted, unless and until the objection, counterclaim or
37
38 setoff is finally resolved and such Disputed Claim is Allowed. Once a Disputed Claim is
39
40 Allowed, the Reorganized Debtor shall make distributions on such Claim on the appropriate
41
42 Distribution Date. To the extent that any distribution was not made because such Claim was
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44 a Disputed Claim and not yet Allowed, the Reorganized Debtor shall make such distribution
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46 at the same time as the next distribution, such that such creditor shall have received all
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1 distributions it would have otherwise received if its Claim was Allowed on the Effective
2 Date.
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6 **8.12 Procedure.**

7 Unless otherwise ordered by the Bankruptcy Court, the Reorganized Debtor will
8 litigate the merits of each Disputed Claim until determined by a Final Order; provided,
9 however, that the Reorganized Debtor, may without approval of the Bankruptcy Court settle
10 any Disputed Claim in an amount less than \$100,000, but shall be required to seek
11 Bankruptcy Court approval for the settlement of any Disputed Claim in excess of that
12 amount.
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20 **8.13 Disputed Distributions.**

21 If any dispute arises as to the identity of a holder of an Allowed Claim who is to
22 receive any distribution under this Plan, the Reorganized Debtor shall not make any
23 distributions to such creditor, but shall reserve funds for such until the disposition thereof
24 shall be determined by court order or by written agreement among the interested parties to
25 such dispute.
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32 **8.14 Limitations on Filing or Amending Claims After the Confirmation Date.**

33 Except as otherwise provided in this Plan, after the Confirmation Date, a proof of
34 claim may be amended by the holder of such Claim solely to decrease, but not to increase,
35 the amount of such Claim. Except as otherwise provided in this Plan and in the immediately
36 preceding sentence, any proof of claim (whether filed to assert a new Claim or to amend a
37 previously filed Claim) filed after the Confirmation Date shall be deemed disallowed in full
38 and expunged without any action by the Reorganized Debtor.
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ARTICLE 9
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Except as otherwise provided in the Confirmation Order, effective as of the Effective Date, all executory contracts and unexpired leases of the Debtor not (i) previously rejected by operation of law or by Court order, (ii) the subject of a motion to reject filed prior to the Confirmation Date, or (iii) listed on Exhibit A, shall be deemed to be automatically assumed by the Reorganized Debtor as of the Effective Date. The Confirmation Order shall constitute a Court order approving such assumptions pursuant to the provisions of section 365 and 1123(b)(2) of the Bankruptcy Code. Each contract or lease that is assumed pursuant to this Plan shall be deemed to include all modifications, amendments, supplements, restatements or other agreements made directly or indirectly by any agreement, instrument or other document that in any manner affects such contract or lease (but excluding any of the foregoing that is not in writing and that purportedly limits, restricts or impairs the Debtor's rights or benefits under the written documents that evidence such contract or lease).

1 **9.2 Cure of Assumed Contracts and Leases.**

2 Any monetary amounts that are in default under a contract or lease that is assumed
3
4 pursuant to this Plan shall be satisfied by Cure. In the event of a dispute regarding (i) the
5
6 nature or the amount of any Cure, (ii) the ability of the Reorganized Debtor to provide
7
8 "adequate assurance of future performance" (within the meaning of section 365 of the
9
10 Bankruptcy Code) under any such contract or lease, or (iii) any other matter pertaining to the
11
12 assumption of such a contract or lease, Cure shall occur immediately following the entry of
13
14 a Final Order resolving the dispute. Cure costs shall be paid by the Reorganized Debtor.
15

16 **9.3 Filing of Proofs of Claim.**

17 All proofs of claim with respect to Claims arising from the rejection of executory
18
19 contracts or unexpired leases must be filed with the Bankruptcy Court within 30 days after
20
21 the Confirmation Date or entry of an order of the Bankruptcy Court approving rejection of a
22
23 specific executory contract or unexpired lease, whichever is later. Failure to file such a
24
25 proof of claim within the time provided will forever bar assertion of such a Claim.
26
27

28 **ARTICLE 10**
29 **CONDITIONS PRECEDENT**

30 **10.1 Conditions Precedent to the Effective Date.**

31 The following are conditions precedent to the occurrence of the Effective Date, each
32
33 of which must be satisfied or waived in accordance with Section 10.2 of this Plan:
34
35

36 (a) The Bankruptcy Court shall have entered the Confirmation Order, in
37
38 form and substance reasonably satisfactory to the Debtor, which shall, among other
39
40 things, (i) find that this Plan complies with all applicable requirements of the
41
42 Bankruptcy Code, (ii) decree that the Confirmation Order shall supersede any Court
43
44 orders issued prior to the Confirmation Date that may be inconsistent therewith,
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1
2 (iii) decree that, except as otherwise provided in this Plan or in the Confirmation
3 Order, all transfers of property contemplated under this Plan shall be free and clear
4 of all Claims, security interests, liens, encumbrances and other interests of holders of
5 Claims and Equity Interests, and (iv) provide that any and all executory contracts and
6 unexpired leases that are assumed pursuant to this Plan shall remain in full force and
7 effect for the benefit of the Reorganized Debtor, in each case, notwithstanding any
8 provision in any such contract or lease or in applicable law (including those
9 described in sections 365(b)(2); (f) of the Bankruptcy Code) that prohibits, restricts
10 or conditions such transfer or that enables or requires termination or modification of
11 such contract or lease; and (g) authorize the Debtor to take all actions necessary or
12 appropriate to enter into, implement and consummate the contracts, instruments,
13 releases, leases, indentures and other agreements or documents created in connection
14 with this Plan.
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18 b. No stay of the Confirmation Order shall be in effect at the time the
19 other conditions set forth in this Section 10.1 have been satisfied or waived.
20
21

22 c. All documents, instruments and agreements, each in form and
23 substance satisfactory to the Debtor, provided for under or necessary to implement
24 this Plan, including without limitation, the BofA Amended Loan Documents, the
25 KeyBank Amended Loan Documents, the WCB Amended Loan Documents, and the
26 WCB Takedown Agreement shall have been executed and delivered by the parties
27 thereto, unless such execution or delivery has been waived by the party to be
28 benefited thereby.
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1 **10.2 Waiver of Conditions.**

2 Except as provided herein, the conditions set forth above may only be waived in
3 whole or in part by the Debtor.
4

5 **10.3 Notice of Effective Date.**

6 On the first business day after the Confirmation Date on which all conditions to
7 effectiveness of this Plan are satisfied or waived as provided in this Article 10, or as soon
8 thereafter as is reasonably practicable, the Debtor shall file with the Bankruptcy Court a
9 notice that states the date on which the Effective Date occurred. This Plan shall be deemed
10 to be effective as of 12:01 a.m. (prevailing Pacific Time) on the Effective Date set forth in
11 such notice filled with the Bankruptcy Court.
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21 **ARTICLE 11**
22 **EFFECT OF CONFIRMATION**

23 **11.1 Effect of Appeals.**

24 Notwithstanding the pendency of an appeal from the Confirmation Order or the
25 timely service and filing of a motion under Bankruptcy Rules 7052, 8002(b), 8002(c), 8003,
26 8015, 9023 or 9024, the Debtor may, but shall not be required to, consummate this Plan,
27 unless the Confirmation Order is stayed pending appeal.
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33 **11.2 Binding Effect.**

34 On the Effective Date, pursuant to section 1141(a) of the Bankruptcy Code, the
35 provisions of this Plan shall bind the Debtor, the Reorganized Debtor, all Creditors and all
36 holders of Interests, including each of their respective heirs, legal representatives, successors
37 and assigns, whether or not they accept this Plan.
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1 **11.3 Revesting of Property.**

2 As of the Effective Date, pursuant to sections 1123(a)(5) and 1141 of the Bankruptcy
3 Code, the Reorganized Debtor shall be revested with title to all property of its estate, free
4 and clear of all liens, Claims and interests, except to the extent provided in this Plan or in the
5 Confirmation Order. As of the Effective Date, the Reorganized Debtor may use and dispose
6 and otherwise deal with such property and may conduct its affairs, in each case, without
7 supervision of the Bankruptcy Court and free of any restrictions imposed by the Bankruptcy
8 Code or the Bankruptcy Rules, other than those restrictions expressly imposed by this Plan
9 or the Confirmation Order.
10

11 **11.4 Discharge.**

12 Except, as otherwise provided in this Plan or in the Confirmation Order, on the
13 Effective Date, pursuant to section 1141(d) of the Bankruptcy Code, the Debtor and the
14 Reorganized Debtor shall be discharged from all liability on any and all Claims against the
15 Debtor that arose at any time before the Effective Date.
16

17 **11.5 Term of Injunction or Stays.**

18 Unless otherwise provided herein, any injunction or stay arising under or entered
19 during the Bankruptcy Case under section 105 or 362 of the Bankruptcy Code or otherwise
20 that is in existence on the Confirmation Date shall remain in full force and effect until the
21 later of the Effective Date and the date indicated in the order providing for such injunction
22 or stay.
23

24 **11.6 Injunction.**

25 **Except as otherwise provided herein, from and after the Effective Date, all holders**
26 **of Claims shall be permanently enjoined from commencing or continuing in any manner,**
27 **any suit, action or other proceeding, on account of any Claim, interest, obligation, debt,**
28

1 right, cause of action, remedy or liability released or to be released pursuant to this Plan,
2
3 including any claims they may have against the Wann Trust or against any asset of the
4
5 Debtor's estate which is subject to administration to pay Claims. Further,
6
7 notwithstanding Confirmation of this Plan or the Confirmation Order, the injunction
8
9 provided by section 362(a) of the Bankruptcy Code shall remain in place for the Debtor,
10
11 its estate, the estate assets and the assets contemplated under this Plan to satisfy Claims.
12

13 **11.7 Exculpation.**

14
15 Neither the Debtor nor the Committee, nor any of their respective officers, directors,
16
17 members, representatives or agents who served as such during this Bankruptcy Case, shall
18
19 have or incur any liability to any Entity for any act or omission in connection with or arising
20
21 out of the negotiation of this Plan, the pursuit of confirmation of this Plan, the pursuit of
22
23 approval of the Disclosure Statement, the consummation of this Plan, the transactions
24
25 contemplated and effectuated by this Plan, the administration of this Plan or any other act or
26
27 omission during the administration of the Bankruptcy Case or the Debtor's Estate.
28
29 Notwithstanding the foregoing, Claims arising from gross negligence or willful misconduct
30
31 on behalf of the Debtor are not waived or released in any manner by this Plan. In all
32
33 respects, the Debtor will be entitled to rely upon the advice of counsel with respect to its
34
35 duties and responsibilities under this Plan.
36

37 **11.8 Effect on Insurance Policies.**

38
39 Except as otherwise specifically provided in this Section 11.8, notwithstanding
40
41 anything to the contrary contained elsewhere in this Plan, including any provision herein
42
43 that purports to be preemptory or supervening, the respective rights, obligations and
44
45 defenses of the insured and insurer under each insurance policy issued to the Debtor or
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47

1 under the agreements related to such policies shall be unaffected by this Plan. Any and all
2 Claims of the insurers that issued such policies before the Petition Date, whether such
3 Claims arise under the policy documents or otherwise, shall be classified and treated as a
4 Class 9 Claims.
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6
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10 **ARTICLE 12** 11 **MISCELLANEOUS PROVISIONS**

12 **12.1 Revocation.**

13 The Debtor reserves the right to revoke and withdraw this Plan at any time prior to
14 the Confirmation Date.
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16
17

18 **12.2 Effect of Withdrawal or Revocation.**

19 If the Debtor revokes or withdraws this Plan prior to the Confirmation Date, or if the
20 Confirmation Date or the Effective Date does not occur, then this Plan will be deemed null
21 and void.
22
23
24
25

26 **12.3 Modifications.**

27 The Debtor may propose amendments to or modifications of this Plan under section
28 1127 of the Bankruptcy Code at any time prior to the Confirmation. After the Confirmation
29 Date, the Debtor may remedy any defects or omissions or reconcile any inconsistencies in
30 this Plan or in the Confirmation Order in such manner as may be necessary to carry out the
31 purposes and intent of this Plan so long as the interests of claimants are not materially and
32 adversely affected.
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40 **12.4 Bankruptcy Court to Retain Jurisdiction.**

41 The Bankruptcy Court will retain jurisdiction over all matters arising out of or
42 related to the Bankruptcy Case and this Plan pursuant to sections 105(a) and 1142 of the
43 Bankruptcy Code until the Effective Date. From and after the Effective Date, until the Plan
44
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1 has been fully administered, including after the closing of the Bankruptcy Case by the
2
3 Bankruptcy Court pursuant to section 350(a) of the Bankruptcy Code and Bankruptcy
4
5 Rule 3022, the Bankruptcy Court will retain and have jurisdiction over Debtor, its estate, the
6
7 Debtor, the Reorganized Debtor, and the Bankruptcy Case for the purposes of determining
8
9 all matters presented by or arising under this Plan, including, without limitation, jurisdiction
10
11 to:
12

13 (i) enforce and administer the provisions of this Plan, including taking any
14
15 action to enforce this Plan, and issue such orders as may be necessary for the
16
17 implementation, execution and consummation of this Plan and the determination of
18
19 any and all disputes arising under or in connection with this Plan;
20

21 (ii) determine the allowance or classification of Claims and determine any
22
23 objections or disputes thereto;
24

25 (iii) determine any and all applications, motions, adversary proceedings, and
26
27 contested matters pending before the Bankruptcy Court as of the Effective Date and
28
29 arising in or related to the Bankruptcy Case or this Plan;
30

31 (iv) determine any and all Fee Claims incurred in the Bankruptcy Case;
32

33 (v) determine any other request for payment of Administrative Claims;
34

35 (vi) correct any defect, cure any omission or reconcile any inconsistency in
36
37 this Plan or the Confirmation Order as may be necessary to carry out the provisions,
38
39 purposes and intent of this Plan;
40

41 (vii) approve and confirm any modification of this Plan;
42

43 (viii) enter and implement such orders as may be appropriate if the
44
45 Confirmation Order is for any reason stayed, revoked, modified, or vacated;
46
47

1 (ix) consider the compromise and settlement of any Claim against Debtor or
2 Debtor's estate;
3

4 (x) determine such other matters as may be provided for in the Confirmation
5 Order or as may from time to time be authorized under the provisions of the
6 Bankruptcy Code or any other applicable law;
7

8 (xi) enforce all orders, judgments and rulings entered in connection with the
9 Bankruptcy Case;
10

11 (xii) enforce, interpret and administer the provisions of this Plan, including,
12 but not limited to, the provisions relating to the distributions to be made hereunder
13 and to the transfer of any property hereunder;
14

15 (xiii) determine matters concerning federal, state or local taxes in accordance
16 with sections 346, 505 and 1146 of the Bankruptcy Code;
17

18 (xiv) issue and enter such orders, consistent with sections 1142 and 105(a) of
19 the Bankruptcy Code, as may be necessary to effectuate the consummation and full
20 and complete implementation of this Plan; and
21

22 (xv) to exercise the jurisdiction granted pursuant to section 505(a) and (b) of
23 the Bankruptcy Code to determine any and all federal, state, local and foreign tax
24 liabilities of, any and all refunds of such tax paid by, Debtor; and to enforce the
25 protections granted Debtor under section 525 of the Bankruptcy Code and applicable
26 civil rights laws.
27

28 **12.5 Election Pursuant to Section 1129(b) of the Bankruptcy Code.**

29 The Debtor hereby requests confirmation of the Plan pursuant to section 1129(b) of
30 the Bankruptcy Code if the requirements of all provisions of section 1129(a) of the
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2 Bankruptcy Code, except paragraph (a)(8) thereof, are met with regard to the Plan. In
3
4 determining whether the requirements of section 1129(a)(8) of the Bankruptcy Code have
5
6 been met, any Class or subclass of a Class that does not contain as an element thereof an
7
8 Allowed Claim or a Claim temporarily allowed under Bankruptcy Rule 3018 as of the date
9
10 fixed by the Bankruptcy Court for filing acceptances or rejections of this Plan shall be
11
12 deemed deleted from this Plan for purposes of voting to accept or reject this Plan and for
13
14 purposes of determining acceptance or rejection of this Plan by such Class or subclass.

15
16 **12.6 Consummation of the Plan.**

17
18 The Debtor reserves the right to request that the Confirmation Order include (i) a
19
20 finding by the Bankruptcy Court that Bankruptcy Rule 3020(e) shall not apply to the
21
22 Confirmation Order, and (ii) the Bankruptcy Court's authorization for the Debtor to
23
24 consummate the Plan immediately after entry of the Confirmation Order.

25
26 **12.7 Exemption from Transfer Taxes.**

27
28 Pursuant to section 1146(c) of the Bankruptcy Code, the delivery of any deed or
29
30 other instrument of transfer under, in furtherance, or in connection with this Plan, whether
31
32 occurring prior or subsequent to the Confirmation Date, including any deeds, bills of sale or
33
34 assignments executed in connection with any disposition of assets contemplated by this
35
36 Plan, shall not be subject to any stamp tax, real estate transfer tax, excise tax, sales tax, use
37
38 tax or other similar tax.

39
40 **12.8 Waivers.**

41
42 Except as otherwise provided in the Plan or in the Confirmation Order, any term of
43
44 the Plan may be waived by the party benefited by the term to be waived.

1 **12.9 Setoffs, Recoupments and Defenses.**

2 Nothing contained in the Plan shall constitute a waiver or release by the Debtor or
3
4 the Reorganized Debtor of any rights of setoff or recoupment, or of any defense, it may have
5
6 with respect to any Claim (including, without limitation, rights under section 502(d) of the
7
8 Bankruptcy Code). Except as otherwise provided in the Plan, in the Confirmation Order or
9
10 in agreements previously approved by a Final Order, the Reorganized Debtor may, but will
11
12 not be required to, set off against any Claim or any distributions with respect to such Claim
13
14 any and all of the claims, rights and Causes of Action of any nature that the Debtor or the
15
16 Reorganized Debtor, as applicable, may hold against the holder of such Claim; provided,
17
18 however, that neither the failure to effect such a setoff, the allowance of any Claim, the
19
20 payment of any distribution hereunder or any other action or omission of the Debtor or the
21
22 Reorganized Debtor, as applicable, nor any provision of the Plan, shall constitute a waiver or
23
24 release by the Debtor or the Reorganized Debtor, as applicable, of any such claims, rights
25
26 and Causes of Action that the Debtor or the Reorganized Debtor , as applicable, may possess
27
28 against such holder.
29

30 **12.10 Cancellation of Documents Evidencing Unsecured Claims.**

31 As of the Effective Date, any note, agreement, instrument or other document
32
33 evidencing an Unsecured Claim in an impaired Class shall be deemed cancelled, null and
34
35 void, except for the right, if any, to receive distributions under this Plan.
36
37

38 **12.11 No Retiree Benefits.**

39 The Debtor is not obligated to provide retiree benefits within the meaning of
40
41 section 1114(a) of the Bankruptcy Code. Thus, section 1129(a)(13) of the Bankruptcy Code
42
43 does not apply to this Plan.
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1 **12.12 Closing of the Bankruptcy Case.**

2 As soon as practicable after the Effective Date, when the Reorganized Debtor deems
3
4 appropriate, it shall seek authority from the Bankruptcy Court to close the Bankruptcy Case
5
6 in accordance with the Bankruptcy Code and the Bankruptcy Rules; provided, however, that
7
8 entry of a final decree closing the Bankruptcy Case shall, whether or not specified therein,
9
10 be without prejudice to the right of the Reorganized Debtor or other party in interest to
11
12 reopen the Bankruptcy Case for any matter over which the Bankruptcy Court has retained
13
14 jurisdiction under this Plan.
15

16 **12.13 Compromise of Controversies.**

17 Pursuant to Bankruptcy Rule 9019, and in consideration for the classification,
18
19 distributions and other benefits provided under the Plan, the provisions of the Plan shall
20
21 constitute a good faith compromise and settlement of all Claims or controversies resolved
22
23 pursuant to the Plan. The entry of the Confirmation Order shall constitute the Bankruptcy
24
25 Court's approval of each of the compromises and determination that such compromises and
26
27 settlements are in the best interest of the Debtor and the Estate. The Debtor expressly
28
29 reserves the right (with Court approval, following appropriate notice and opportunity for a
30
31 hearing) to compromise and settle other Claims and Causes of Action up to and including
32
33 the Effective Date.
34
35

36 **12.14 Payment of Statutory Fees.**

37 The Reorganized Debtor will be responsible for timely payment of fees incurred
38
39 pursuant to 28 U.S.C. § 1930(a)(6) until the Bankruptcy Case is closed, converted, or
40
41 dismissed. After Confirmation, the Reorganized Debtor shall file a monthly financial report
42
43 for each month, or portion thereof, that the Bankruptcy Case remains open. The monthly
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45
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1 financial report will include a statement of all disbursements made during the course of the
2
3 month by the Reorganized Debtor, whether or not pursuant to this Plan.
4

5
6 **12.15 Notices.**

7 All notices, requests, demands or other communications in connection with or
8
9 required to be given under this Plan, if any, will be in writing and will be sent by:
10

11 (i) certified first class mail, return receipt requested, postage prepaid (deemed given when
12 received as noted on return receipt); (ii) overnight courier, freight prepaid, receipt requested
13 (deemed given when received as noted on receipt); (iii) facsimile (deemed given when
14 received as noted on confirmation report); or (iv) hand delivery, receipt requested (deemed
15 given when received as noted on receipt):
16
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20

21 If to the Reorganized Debtor, to: Pacific Lifestyle Holdings, Inc.
22 Suite 1200
23 11815 NE 99th Street
24 Vancouver, WA 98682
25 Phone: (360) 573-8081
26 Fax: (360) 816-0356
27 email: kevinw@pacificlifestylehomes.com
28 Attn: Kevin Wann, President
29

30 With a copy to: Perkins Coie LLP
31 1120 N.W. Couch Street, 10th Floor
32 Portland, OR 97209-4128
33 Phone: (503) 727-2000
34 Fax: (503) 727-2222
35 Email: jthomas@perkinscoie.com
36 Attn: Jeanette L. Thomas
37

38 Either of the above parties may, from time to time, change its address for future notices and
39 other communications hereunder by filing a notice of the change of address with the
40
41 Bankruptcy Court.
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1 **12.16 Headings.**

2 The headings of the articles, sections and subsections of this Plan are inserted for
3 convenience only and will not affect the interpretation hereof.
4

5 **12.17 Construction.**

6 The rules of construction used in section 102 of the Bankruptcy Code will apply to
7 the construction of this Plan.
8

9 **12.18 Governing Law.**

10 Except to the extent that the Bankruptcy Code is applicable and preempts state law,
11 the rights and obligations arising under this Plan will be governed by, and will be construed
12 and enforced in accordance with, the laws of the State of Washington.
13

14 **12.19 Termination of Service of Committee.**

15 The Committee will remain in existence after the Effective Date only with respect to
16 the following actions: (i) prosecution of objections to any Fee Claim, and (ii)
17 reimbursement of expenses incurred by members of the Committee. Once the foregoing
18 matters are resolved, the Committee will dissolve without the necessity for further action or
19 order of the Bankruptcy Court.
20

21 **12.20 Successors and Assigns.**

22 The rights and obligations of any Entity named or referred to in this Plan will be
23 binding upon, and will inure to the benefit of, the successors and assigns of such Entity.
24

25 **12.21 Exhibits.**

26 All exhibits and schedules to this Plan are incorporated into and are part of this Plan
27 as if set forth in full herein.
28

29 WHEREFORE, Debtor requests entry of an order granting the relief requested herein
30 and such other and further relief as is just and proper under the circumstances.
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2 DATED: May 24, 2010
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PERKINS COIE LLP

By: /s/ Jeanette L. Thomas

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Attorneys for Debtor

Pacific Lifestyle Homes, Inc.

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DEBTOR'S FIRST AMENDED PLAN OF
REORGANIZATION DATED MAY 24, 2010 – 48

69423-0001/LEGAL17257284.8

Perkins Coie LLP
1120 N.W. Couch Street, Tenth Floor
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EXHIBIT A

REJECTED CONTRACTS AND LEASES

1. Assignment of Declarant's Rights, dated by and between Esmeralda Properties, LLC and Emerald Vista, Inc.

[Remainder to come later]